

Meeting Date: 11/18/08

AGENDA REPORT

City of Santa Clara, California

Agenda Item # 7B-6

Santa Clara



Date: November 10, 2008
To: City Manager for Council Action
From: John C. Roukema, Director of Electric Utility
Subject: Approval of LM6000 Sprint Engine Lease Agreement with GE Energy for Providing Gas Turbine Equipment for the Donald Von Raesfeld Power Plant

EXECUTIVE SUMMARY:

The Donald Von Raesfeld Power Plant (DVR) has GE LM-6000 PC gas turbine generation equipment which will require repairs. The plant has a spare engine for use when one of the installed engines is removed for repairs. Entering into an Engine Lease Agreement with GE Energy will put in place a backup lease engine guarantee to have a leased engine within 72 hours of notifying GE Energy. A copy of the GE Energy Engine Lease Agreement is available for review in the Council Offices.

ADVANTAGES AND DISADVANTAGES OF ISSUE:

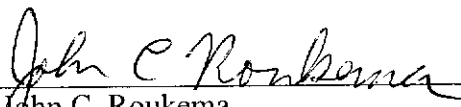
A typical major engine repair, on average, would take 90 days. Without this agreement, if there were another engine failure while one of our engines is being repaired, Silicon Valley Power (SVP) could experience an expensive alternative for energy for an extended period of time. This backup lease agreement is inexpensive insurance that would limit the alternative exposure.


ECONOMIC/FISCAL IMPACT:


The total amount of this contract is not to exceed \$350,000.00. Sufficient funds are available in the Electric Generation Division Contractual Services, Not Classified account [091-1377-87870-(F)92300].

RECOMMENDATION:

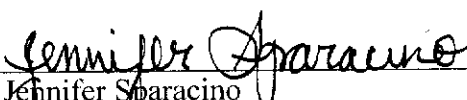
That the Council approve, and authorize the City Manager to execute, the LM6000 Sprint Engine Lease Agreement with GE Energy, in an amount not to exceed \$350,000.00, for Providing Gas Turbine Equipment for the Donald Von Raesfeld Power Plant.


John C. Roukema
Director of Electric Utility

Certified as to Availability of Funds: 
091-1377-87870 \$350,000.00


Mary Ann Parrot
Director of Finance

APPROVED:


Jennifer Sparacino
City Manager

MAJORITY VOTE OF COUNCIL

Documents Related to this Report:

- 1) GE Energy LM6000 Sprint Engine Lease Agreement

CITY OF SANTA CLARA
AGENDA MATERIAL ROUTE SHEET

Council Date: November 18, 2008

SUBJECT: Approval LM6000 Sprint Engine Lease Agreement with GE Energy for Providing Gas Turbine Equipment for the Donald Von Raesfeld Power Plant

CERTIFICATION

The proposed LM6000 Sprint Engine Lease Agreement with GE Energy
Regarding: Gas Turbine Equipment for the Donald Von Raesfeld Power Plant
has been reviewed and is hereby certified.

PUBLICATION REQUIRED:

The attached Notice/Resolution/Ordinance is to be published ____ time(s) at least ____ days before the scheduled meeting/public hearing/bid opening/etc., which is scheduled for _____, 2008.

AUTHORITY SOURCE FOR PUBLICATION REQUIREMENT:

Federal Codes:

Title _____ U.S.C. § _____
(Titles run 1 through 50)

California Codes:

Code _____ § _____
(i.e., Government, Street and Highway, Public Resources)

Federal Regulations:

Title _____ C.F.R. § _____
(Titles run 1 through 50)

California Regulations:

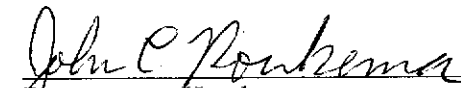
Title _____ California Code of Regulations § _____
(Titles run 1 through 28)

City

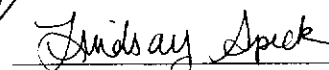
City Charter § _____ (i.e., 1310. Public Works Contracts. Notice published at least once at least ten days before bid opening)

City Code § _____

1. As to City Functions, by
2. As to Legality, by
3. As to Environmental
Impact Requirements, by
4. As to Substance, by



Department Head



City Attorney's Office/CAO Assignment No. 08.1406

Director of Planning and Inspection



City Manager

Revision Date: June 7, 2005